

Jamaica Social Investment Fund Financing

Initial funding for the JSIF was obtained from the International Bank for Reconstruction & Development (IBRD) / World Bank (WB) in the form of a US\$20 million loan. This helped to leverage assistance from other sources as follows - the Inter-American Development Bank (IDB) - US\$10 million, the Government of the Netherlands - US\$3 million, Organisation of Petroleum Exporting Countries (OPEC) - US\$2 million, and the Department for International Development (DFID) - £476,000 (US\$0.75M). The Government of Jamaica provides counterpart funding under all loan and some grant agreements. In addition the community must give a contribution in cash or kind, which is calculated at an agreed percentage of the overall project cost.

In 2000, additional funding in loans and grants was secured from the Caribbean Development Bank (CDB) - US\$14.32M, and the

Government of Jamaica officials signing the loan agreement for the Inner City Basic Services Project with World Bank representatives. Right to Left: Dr. Wayne Henry, Liaison Officer World Bank; Caroline Anstey, Director, World Bank Caribbean Country Management Unit, Latin America & the Caribbean Region; Dr. the Hon. Omar Davies, Minister of Finance & Planning; Colin Bullock, Financial Secretary, Ministry of Finance & Planning; Scarlette Gillings, CD, Managing Director, Jamaica Social Investment Fund; Standing: Verdayne Wallace, Director, Loan Administration, Ministry of Finance & Planning



European Union - € 6 million respectively. JSIF was chosen as the executing agency for the EU's Poverty Reduction Programme (PRP) because of the Fund's notable success in targeting and improving the conditions in some of Jamaica's poorest communities. This Project has an increased emphasis on community contracting and beneficiary participation; thus giving communities more control over the design and implementation of their projects.

The National Community Development Project (NCDP), which is financed by a loan of US\$15M from the World Bank to the Government of Jamaica (GOJ), also emphasizes the community driven approach. The NCDP is focused on development through increased involvement of the community at all stages of the project cycle. This project was officially launched on February 17, 2003 and is being implemented over a four (4) year period. In 2005 the GOJ obtained further funding to support the NCDP from the OPEC, through a loan agreement for US \$5 million that will end in 2009.

Further funding was obtained in June 2003 through The Basic Needs Trust Fund grant of US\$2.86M, which is being provided jointly by the CDB and the Canadian International Development Agency (CIDA).

This grant makes funding available for infrastructure construction, minor maintenance for education and health facilities, skills training and upgrading, institutional strengthening, public awareness and information, and project management and implementation.

During 2005 the GOJ received funding from the World Bank and the Japanese government to finance the preparation of the Inner City Basic Services for the Poor Project (ICBSP), aimed at improving access to basic

socio-economic infrastructure for residents in targeted inner city communities in Kingston and St. Andrew, St. Catherine, Clarendon and St. James.

A grant of US\$650,000 was received from the Japanese Policy and Human Resources Development (PHRD) fund, along with a project preparation advance of US\$650,000 from the World Bank. A loan agreement was signed by GOJ and the World Bank on May 2006 for US\$29.3M to fund the implementation of the ICBSF. The GOJ will provide counterpart funding of approximately US\$2.7M toward the project.

Over the years the JSIF has developed a sterling reputation for transparent procedures and processes and professional and technical competence. As a result of these attributes the Fund has been approached by various entities to assist or oversee the implementation of projects outside the regular JSIF activities. Recently in response to a request by CARICOM governments for assistance in gaining access to affordable and effective disaster risk financing arrangements, the World Bank proposed a study of the viability of a Caribbean Catastrophe Risk Insurance Facility (CCRIF) which would allow Caribbean countries to pool natural disaster risks.

Preliminary studies (probabilistic risk modelling, risk financing strategy and development of operational guidelines) along with commitments from participating countries and potential donor contributions to a reserve fund are critical to the development of the CCRIF.

The JSIF has been asked to oversee the procurement process for the consultancies to carry out the studies. A grant of US\$1.8M of which Jamaica received US\$0.8M, was provided from the Japanese PHRD fund, to facilitate these preparatory activities.

Breakdown Of Funding Agreements

Current Funding Agreements

SOURCE	AMOUNT (US\$m) ¹	CLOSING DATE	TYPE
Government of Jamaica	18.37	Ongoing	Local Counterpart
Beneficiaries (Community Contribution)	1.8	Ongoing	Local Counterpart
International Bank for Reconstruction and Development (Inner City Basic Services for the Poor)	29.3	December 31, 2011	Loan
Organisation of Petroleum Exporting Countries (2)	5	June 30, 2009	Loan
Japanese Policy and Human Resources Development (PHRD) (Caribbean Catastrophe Risk Insurance Facility)	1.80	October 16, 2006	Grant ²
Basic Needs Trust Fund	2.86	June 30, 2010	Grant
International Bank for Reconstruction and Development (National Community Development Project)	15	July 31, 2007	Loan
European Union (Poverty Reduction Programme)	6.4	June 30, 2006 ³	Grant ⁴
Caribbean Development Bank	14.37	July 31, 2006 ⁵	Loan ⁶
Total	94.9		

¹ Amounts expected to be drawn on

² US\$0.8M was allocated to Jamaica and US\$1M for the OECS countries

³ Revised closing date

⁴ 6 million Euro approximately US\$ 6.4 million, at the date of the signing of the financing agreement

⁵ Revised closing date

⁶ This amount includes a grant of US\$124,000

Breakdown Of Funding Agreements

Closed Funding Agreements

SOURCE	AMOUNT ⁷ (US\$M)	CLOSING DATE	TYPE
Beneficiaries (Community Contribution) ⁸	1.83		Local Counterpart
Government of Jamaica ⁹	10		Local Counterpart ¹⁰
Japanese Policy and Human Resources Development (PHRD) (Inner City Basic Services for the Poor – project preparation)	0.65	March 9, 2006	Grant
Inter-American Development Bank	9.5	July 31, 2002	Loan
Department for International Development	0.77	December 31, 2001	Grant
International Bank for Reconstruction and Development	20	July 31, 2001	Loan
Organisation of Petroleum Exporting Countries	2	June 30, 2001	Loan
Government of the Netherlands	2.8	March 31, 2001	Grant
Government of Japan	0.49	December 31, 1996	Grant
Total	48.04		

⁷ Actual amounts drawn

⁸ Varied closing dates for each funding source as agreed on in the relevant financing agreements

⁹ Varied closing dates for each funding source as agreed on in the relevant financing agreements

¹⁰ This incorporates financing from the European Union during the first phase